

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
CONGRESS OF THE PHILIPPINES  
Quezon City, Metro Manila

**SEVENTEENTH CONGRESS**  
First Regular Session

House Bill No. 20 27



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**Introduced by Honorable REYNALDO V. UMALI**

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**EXPLANATORY NOTE**

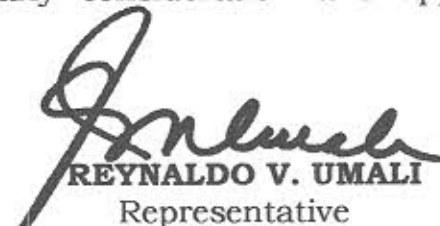
Based on studies Metro Manila's air pollution problem is caused primarily by vehicular emissions, mostly coming from diesel engines. While so much attention has been given to lack of engine maintenance as the culprit, the role of fuel quality has escaped the scrutiny of regulators and policy makers.

The unwitting use of institutionally adulterated diesel (IAD) in transport vehicles, particularly buses, trucks and jeepneys, are the primary and major cause of smoke belching.

Under Section 1(B) of Presidential Decree 1865, adulteration of furnished petroleum products, or possession of adulterated finished petroleum products for the purpose of sale, distribution, transportation, exchange or barter is a prohibited act.

This bill seeks to increase the penalties for prohibited acts stated in Presidential Decree 1865 to ensure that the policy of state is strictly observed.

In view thereof, early consideration and approval of this bill is earnestly sought.

  
**REYNALDO V. UMALI**  
Representative

Second District, Province of Oriental Mindoro

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**AN ACT AMENDING SECTIONS 3-A AND 4 OF THE PRESIDENTIAL  
DECREE NO. 1865 TO INCREASE THE PENALTIES FOR PROHIBITED  
ACTS SUCH AS ADULTERATION OF PETROLEUM PRODUCTS WHICH IS  
INIMICAL TO PUBLIC INTEREST**

*Be it enacted by the Senate and the House of Representatives of the  
Philippines in Congress assembled:*

SECTION 1. **Short Title.** This Act shall be known as "Oil Anti-Adulteration Act of 2016."

SECTION 2. **Declaration of Policy.** – It is hereby declared to be the policy of the State to promote and protect the right of the people to public health and safety and instill health consciousness among them. Towards this end, the State shall adopt and implement a policy mandating the importation, production, distribution, marketing and sale of environmentally clean and safe fuels to promote the general welfare and public interest.

SECTION 3. Section 3-A of Batas Pambansa Bilang 33, as amended by Presidential Decree 1865, is hereby amended to read as follows:

"SECTION 3-A. **Rules and Regulations; Administrative Sanctions for Violation Thereof.** The [Bureau of Energy Utilization] **Department of Energy** shall issue such Rules and Regulations as are necessary to carry into effect the provisions of this Act, subject to the approval of the [Minister] **Secretary of Energy**, after consultation with the affected industry sectors. Said Rules and Regulations shall take effect Fifteen (15) days from the date of its publication in two (2) newspapers of general circulation.

"The [Bureau of Energy Utilization] **Department of Energy** is empowered to impose in an administrative proceeding, after due notice and hearing, upon any person who violates any provisions of such rules and regulations, a fine of not more [Ten Thousand Pesos (P10,000.00)] **One Hundred Thousand**

**Pesos (P100,000)** or to suspend or remove the license or permit of [a] AN OIL IMPORTER, REFINER, hauler, marketer, refiller, dealer, sub-dealer, or retail outlet: Provided, further, that during the pendency of such administrative proceedings, the Department may suspend business operations of such hauler, marketer, refiller, dealer, sub-dealer, or retail outlet: *Provided*, that hearing in any administrative proceeding may be waived by respondent: *Provided, further*, that during the pendency of such administrative proceedings, the [Bureau] DEPARTMENT may suspend the business operations of such OIL IMPORTER, REFINER, hauler, marketer, refiller, dealer, sub-dealer, or retail outlet operator when the suspension is consistent with public interest. Administrative proceedings shall be decided within THIRTY (30) DAYS after filing of the last responsive pleading by the respondent, or termination and completion of the administrative proceedings.

“All law enforcement and other concerned agencies of the government shall assist the [The Bureau of Energy Utilization] **Department of Energy** in the implementation of this section.

“The administrative sanction that may be imposed shall be without prejudice to the filing of a criminal action as the case may warrant.

SECTION 4. Section 4 of the same Act, as amended by Presidential Decree 1865 is hereby amended to read as follows:

“SEC. 4. Penalties. – Any person who commits any act herein prohibited shall, upon conviction, be punished with a fine of not less than [Twenty Thousand Pesos (P20,000.00)] **THREE HUNDRED THOUSAND PESOS (P300,000)** but not more than [ Fifty Thousand Pesos (P50,000.00)] **FIVE HUNDRED THOUSAND PESOS (P500,000)**, or imprisonment of at least [Two (2)] **THREE (3) YEARS but not more than** [ Five (5)] **SIX (6) years**, or both, in the discretion of the court. In cases of second and subsequent conviction under this Act, The Penalty shall be both fine and imprisonment as provided herein. Furthermore, the petroleum and/or petroleum products, subject matter of the illegal trading, adulteration, shortselling, hoarding, overpricing or misuse, shall be forfeited in favor of the Government: Provided, That if the petroleum and/or petroleum products have already been delivered and paid for, the offended party shall be indemnified twice the amount paid, and if the seller who has not yet delivered has been fully paid, the price received shall be returned to the buyer with an additional amount equivalent to such price; and in the addition, if the offender is an oil company, OIL IMPORTER, OIL REFINER, marketer, distributor, refiller, dealer, sub-dealer and other retail outlets, or hauler, the cancellation of his license.

SECTION 5. **Repealing Clause.** – All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SECTION 6. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) national newspapers of general circulation.

*Approved.*